

Message Text

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PAGE 01 STATE 310712
ORIGIN OPIC-06

INFO OCT-01 ARA-14 ISO-00 EB-08 COME-00 /029 R

DRAFTED BY OPIC/F DKULIKOWSKI
APPROVED BY EB/IFD/OIA: R D KAUZLARICH
EB/IFD/OIA:DGRANT
ARA/ECA:S MYLES (INFO)

-----045326 311237Z /23

R 302256Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY BRASILIA

UNCLAS STATE 310712

FROM OPIC

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: VALERON EXPANSION

1. VALERON CORP., A RESPECTED U.S. MANUFACTURER OF CUTTING TOOLS AND TUNGSTEN CARBIDE INSERTS, HAS REQUESTED A 10 YEAR \$1.65 MILLION LOAN FROM OPIC TO FINANCE AN EXPANSION PROJECT IN CURITIBA.

2. VALERON PRESENTLY HAS A SUBSIDIARY IN SAO PAULO, VALENITE-MEDCO INDUSTRIA E CAMERCIO LTDA, THAT MANUFACTURES CUTTING TOOLS AND FINISHES THE INSERTS PRESENTLY IMPORTED OR SUPPLIED FROM A SMALL VALERON PLANT IN MANAUS (18 EMPLOYEES). THE MANAUS PLANT ESTABLISHED ONE YEAR AGO WAS UNABLE TO OBTAIN FREE TRADE ZONE CONCESSIONS.

3. THE MANAUS PROJECT WILL BE PHASED OUT AND REPLACED BY THIS LARGER MORE INTEGRATED PLANT IN CURITIBA. THE PROJECT
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WILL MANUFACTURE STEEL TOOL HOLDERS AND WILL MAKE TUNGSTEN CARBIDE CUTTING INSERTS FROM POWDERS. THESE PRODUCTS WILL BE SOLD MAINLY IN BRAZIL. THE CURITIBA PLANT WILL EMPLOY OVER 60 PEOPLE AND OVER THE FIRST FIVE YEARS WILL REPLACE OVER \$6.5 MILLION IN IMPORTS AND GENERATE \$1 MILLION IN EXPORTS. IN MID-OCTOBER VALERON COMPLETED APPLICATION FOR CDI BENEFITS ON THIS PROJECT.

4. OPIC WOULD LIKE THE EMBASSY ASSESSMENT OF THE LIKELY DEVELOPMENTAL IMPACT OF THE PROJECT AND OF THE ABILITY OF VALERON TO RECEIVE CDI APPROVAL. OPIC APPRECIATES EMBASSY ASSISTANCE. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE310712
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Document Unique ID: 00
Drafter: F DKULIKOWSKI
Enclosure: n/a
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Expiration:
Film Number: D780004-0584
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977122/aaaaabli.tel
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Litigation History:
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Message ID: 5e790efd-c188-dd11-92da-001cc4696bcc
Office: ORIGIN OPIC
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 134795
Secure: OPEN
Status: NATIVE
Subject: VALERON EXPANSION
TAGS: EFIN, EINV, BR, US, VALERON CORP
To: BRASILIA
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/5e790efd-c188-dd11-92da-001cc4696bcc
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